GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4629
ANSWERED ON:19.12.2000
INCREASE IN THE PRICE OF NAPHTHA
SUNDER LAL TIWARI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Naphtha based domestic fertilizer units are getting affected due to constant increase in price of Naphtha;

(b) if so, the details in this regard; (

(c) whether due to increase in supply of Diammonium Phosphate (D.A.P.) in thedomestic market, the urea based units have been affected badly;

(d) if so, whether the Government propose to withdraw the concession granted on imported D.A.P. to prevent likely closure of domestic fertilizer units; and

(e) if not, the reasons therefor ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a) & (b): Naphtha is mainly used in the production of urea. Production of urea is governed by the Retention Price-cum-Subsidy Scheme (RPS).Under this scheme, retention price for every unit is fixed taking into account the actual cost of variable inputs like naphtha and the price of naphtha is eventually fully compensated.

(c): Supply of Diammonium Phosphate (DAP) in the domestic market does notnormally have impact on the urea production. Availability of DAP and Urea in Kharif 2000 vis-Ã -vis Kharif 1999 is given below:-

(in Lakh tonnes)

Year	Urea	DAP
Kharif 2000	117.00	35.83
Kharif 1999	120.10	41.44

It may be observed that reduction in availability of urea in Kharif 2000 vis-Ã -visKharif 1999 is less than the reduction in availability of DAP during the same period.

(d)&(e): At present, while there is no proposal to withdraw the concession on imported DAP, the import of DAP in April-November 2000 only was 8.35 lakh tonnes as against 29.99 lakh tonnes in the corresponding period last year.